

UNITED STATES DISTRICT COURT
WESTERN DISTRICT OF MICHIGAN
SOUTHERN DIVISION

MICHAEL J. QUILLING,

Plaintiff,

Hon. Robert Holmes Bell

v.

Case No. 1:03-cv-00236

TRADE PARTNERS, INC., et al.,

Defendants.

CORRECTED REPORT AND RECOMMENDATION

This matter is before the Court on the Receiver's Final Report and Proposed Distribution Plan (Dkt. 2066), which was referred to the undersigned by the Honorable Robert Holmes Bell for report and recommendation under 28 U.S.C. § 636(b)(1)(B). A hearing was held on October 27, 2011. Approximately twenty individuals, presumably investors in Trade Partners, Inc., attended the hearing and were permitted to question the Receiver, the Receiver's attorney, and the Examiner regarding the proposed distribution plan. It should be noted that the proposed distribution plan was mailed to all "A" and "B" Claimants on October 3, 2011 (Dkt. 2074). In the opinion of the undersigned, all of the investors' questions were satisfactorily answered.

As stated in the final report, since his appointment the Receiver has taken possession of and administered cash and other assets totaling \$88,486,349.00. Prior to the report, approximately \$57 million had been paid to allowed "A" and other claimants. The legal/accounting/professional costs of administration total \$13,100,561.27 or 14.8% of the total receipts in the aggregate. Premiums on insurance policies in the amount of \$9,103.422.00 were paid. Other administrative

expenses and taxes paid total approximately \$5 million in the aggregate. Each claimant with an allowed A claim will receive 34.76% of their claim by virtue of the Receiver's proposed final distribution and the previous interim distributions. Although likely still a disappointment to the investors, this is an outstanding result.

Therefore the undersigned reports and recommends that the Receiver's Final Report and Proposed Distribution Plan (Dkt. 2066) and that the Final Fee Application for Attorneys and Accountants (Dkt. 2065) be approved by the Court. The undersigned further recommends that the nominal fees incurred since the final applications were submitted by the Receiver's Special Counsel, Michael J. Quilling, the Examiner, Steven A. Harr, and the Receiver be approved¹. Finally, the undersigned recommends that the court allocate the following amounts as retainers for the costs of addressing the matters listed in ¶ 6 of the final report which will require attention by the Receiver and other professionals after the final report is approved:

\$215,500.00	Receiver
\$ 20,000.00	Examiner
\$ 20,000.00	EHTC
\$175,000.00	Quilling Selander

Respectfully submitted,

Date: November 23, 2011

/s/ Ellen S. Carmody
ELLEN S. CARMODY
United States Magistrate Judge

¹ Receiver: \$20,350.65. Examiner: \$6,423.09. Special Counsel to Receiver: \$40,747.44.

OBJECTIONS to this Report and Recommendation must be filed with the Clerk of Court within 14 days of the date of service of this notice. 28 U.S.C. § 636(b)(1)(C). Failure to file objections within the specified time waives the right to appeal the District Court's order. *Thomas v. Arn*, 474 U.S. 140, 155 (1985); *United States v. Walters*, 638 F.2d 947, 949-50 (6th Cir. 1981).